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## SENATE BILL No. 263

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-26-5-32.

**Synopsis:** Public school compensation payment schedules. Permits a public school corporation to enter into a 12 month compensation payment schedule for work performed during a normal nine or ten month school year.

**Effective:** July 1, 2009.

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January 7, 2009, read first time and referred to Committee on Education and Career Development.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## SENATE BILL No. 263

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 20-26-5-32 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3       1, 2009]: **Sec. 32. (a) Notwithstanding IC 22-2-5-2, a school**  
4       **corporation and:**

5               **(1) an employee; or**  
6               **(2) the exclusive representative of its certificated employees**  
7               **with respect to those employees;**  
8       **may agree in writing to a wage payment arrangement.**

9       **(b) A wage payment arrangement under subsection (a) may**  
10       **provide that compensation earned during a school year may be**  
11       **paid:**

12               **(1) using equal installments or any other method; and**  
13               **(2) over:**  
14                       **(A) all or part of that school year; or**  
15                       **(B) any other period that begins not earlier than the first**  
16                       **day of that school year and ends not later than twelve (12)**  
17                       **months after the period begins.**



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1 Such an arrangement may provide that compensation earned in a  
 2 calendar year is paid in the next calendar year, so long as all the  
 3 compensation is paid within the twelve (12) month period  
 4 beginning with the first day of the school year.

5 (c) A wage payment arrangement under subsection (a) must be  
 6 structured in such a manner so that it is not considered:

7 (1) a nonqualified deferred compensation plan for purposes of  
 8 Section 409A of the Internal Revenue Code; or

9 (2) deferred compensation for purposes of Section 457(f) of  
 10 the Internal Revenue Code.

11 (d) Absent an agreement under subsection (a), a school  
 12 corporation shall pay each employee:

13 (1) at least semimonthly or biweekly, if requested, the  
 14 compensation due the employee; and

15 (2) for all compensation earned during a pay period not more  
 16 than ten (10) business days following the close of that pay  
 17 period.

18 However, this subsection does not prevent payments from being  
 19 made at shorter intervals.

20 (e) If an employee leaves employment for any reason, either  
 21 permanently or temporarily, the school corporation shall pay the  
 22 employee any compensation due the employee on the next regularly  
 23 scheduled date for payment of compensation, as established by the  
 24 school corporation.

25 (f) This section does not affect an individual's status for  
 26 purposes of unemployment compensation.

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